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Top Secret

POLAND: Results of Price Increases

Higher prices in effect since February have decreased the demand for many food items and led to shorter food lines and less panic buying in Warsaw.

Some consumers can no longer afford cheese and other unrationed items or even rationed goods, including meat, because of the higher prices and inadequate wage compensation.

Comment: Consumers have yet to feel the full impact of the price increases partly because they have been using up savings, bonuses paid at the end of 1981, and food stocks they had hoarded. Workers are likely to react more vigorously to their declining standard of living as these reserves are used up and as future price increases occur.

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